

1 THE WITNESS: We had discussed
2 them. We dropped them in Harrisburg, for
3 instance, when it wasn't allowed to be carried
4 on the sports tier. I can get into the
5 background of this, if -

6 JUDGE SIPPEL: No, I don't think
7 you need to do that. I'm just trying to
8 understand how do you -- who made the decision
9 to be dropped in Harrisburg?

10 THE WITNESS: So, we had made the
11 decision -

12 JUDGE SIPPEL: "Me" being who? We
13 being?

14 THE WITNESS: Someone in my group.
15 I wasn't involved, but someone in my group.

16 JUDGE SIPPEL: Comcast corporate.

17 THE WITNESS: Comcast corporate.
18 It had been previously carried on a sports
19 tier in that market. CSNMA was unwilling to
20 allow us to continue to carry on a sports
21 tier, so they said to Comcast Cable, if you
22 don't want to carry on a more widely

1 distributed package, you have to drop them.

2 So, we said okay, well, we don't have a

3 choice. We'll go ahead and drop -

4 JUDGE SIPPEL: Did they really
5 dictate those terms?

6 THE WITNESS: In that case, they
7 said they did not -- they were not willing to
8 allow us to continue to carry on a sports
9 tier.

10 JUDGE SIPPEL: What choice would
11 they have in the final analysis?

12 THE WITNESS: CSNMA?

13 JUDGE SIPPEL: Yes.

14 THE WITNESS: Well, they
15 authorized the signal, so what they were
16 saying to us, CSNMA was saying to Comcast
17 Cable, is we won't authorize you to continue
18 to carry. [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

1 But it's also -

2 JUDGE SIPPEL: Why? Why should
3 that be the case?

4 THE WITNESS: Industry practice.

5 [REDACTED]

6 [REDACTED]

7 JUDGE SIPPEL: But there's no
8 legal obligation to do that.

9 THE WITNESS: That's correct.
10 There is no legal obligation from them to
11 continue to authorize. There's no legal
12 obligation for us to continue to pay, or
13 carry. So, you're really operating in a kind
14 of a day-by-day -

15 JUDGE SIPPEL: But if they don't
16 authorize, [REDACTED]

17 [REDACTED]. They could just be cut
18 loose.

19 THE WITNESS: Yes. By us.

20 JUDGE SIPPEL: Sure.

21 THE WITNESS: Or by them.

22 JUDGE SIPPEL: Well, yes, by them.

1 They could take a walk.

2 THE WITNESS: Yes.

3 JUDGE SIPPEL: But they're not
4 going to take a walk with the signal, are
5 they?

6 THE WITNESS: Well, in the case of
7 Harrisburg they did. They said we weren't
8 going to continue to allow you to carry on a
9 sports tier.

10 JUDGE SIPPEL: By what right can
11 they say that? [REDACTED]
12 How can they do that legally? How would they
13 enforce that?

14 THE WITNESS: Well, we have --
15 this isn't [REDACTED], this really applies to
16 many instances where we might carry out of
17 contract.

18 JUDGE SIPPEL: [REDACTED]
19 [REDACTED].

20 THE WITNESS: [REDACTED]
21 [REDACTED]
22 [REDACTED]. That

1 was a little different. There was a pre-
2 existing contract with a predecessor company
3 that Comcast had acquired, that allowed us to
4 carry on the sports tier. At the expiration
5 of that contract -

6 JUDGE SIPPEL: Which is when?

7 THE WITNESS: Oh, 2005.

8 JUDGE SIPPEL: All right.

9 JUDGE SIPPEL: When that contract
10 expired, CSNMA said we're not going to allow
11 you to continue to carry on the sports tier.
12 We're not going to continue to authorize that
13 signal into Harrisburg, so we'll de-authorize
14 the signal. You won't be able to receive it
15 unless you change the positioning.

16 JUDGE SIPPEL: Meaning getting
17 them out of the sports tier and into something
18 else?

19 THE WITNESS: Getting them out.
20 Exactly. So, Comcast Cable said we're given
21 the choice between not having it, and having
22 to put it on a different level of service,

1 we'd rather not have it, so it was dropped.

2 MR. FREDERICK: Your Honor, if I
3 could -

4 JUDGE SIPPEL: Wait a minute. I'm
5 trying to understand this. The way you're
6 saying this, the way you're telling this
7 story, it sounds like that CSN, CSNMA was
8 dictating the terms to Comcast Corporate. I
9 mean, that's the tone that you're giving me.

10 THE WITNESS: Comcast Cable.

11 JUDGE SIPPEL: Pardon?

12 THE WITNESS: Comcast Cable.

13 JUDGE SIPPEL: All right. Comcast
14 Cable, whatever. But the point is, is that
15 it's the parent, and this is the affiliate.

16 THE WITNESS: Well, in this
17 instance, yes, they were saying we were not
18 going to let you carry except on these terms.

19 JUDGE SIPPEL: And this is Mr.
20 Jeff Shell, or his predecessor, whatnot?

21 THE WITNESS: Some -

22 JUDGE SIPPEL: He's looking Mr.

1 Burke in the eye and telling him that?

2 THE WITNESS: I don't know that
3 this happened at that level. It was the -

4 JUDGE SIPPEL: Well, wouldn't Mr.
5 Burke like to know about that, that he's got
6 his affiliate, is telling him what's going to
7 go on and off in Harrisburg? I mean -

8 THE WITNESS: To be honest, I
9 don't think he was involved in this decision.
10 It's an outer market systems for CSNMA.

11 JUDGE SIPPEL: Outer market for
12 CSNMA. I mean, it's not -- it's in the market
13 -- well, never mind. Never mind. Never mind.
14 I can't -- I'm telling you. You've really got
15 me flummoxed here. I cannot understand how
16 that kind of a relationship can go on, and the
17 terms, [REDACTED] can be
18 dictated by an affiliate to a parent company.
19 It just doesn't make any sense in the scheme
20 of things, either legally, or as a practical
21 matter.

22 THE WITNESS: Could I try to

1 expound?

2 JUDGE SIPPEL: Sure. Yes, please.

3 Yes, try and elucidate.

4 THE WITNESS: Okay.

5 JUDGE SIPPEL: Thank you.

6 THE WITNESS: [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 JUDGE SIPPEL: Independent

13 programmers?

14 THE WITNESS: Yes. Yes.

15 JUDGE SIPPEL: As independent,

16 let's say, as MASN is, in that -- I mean,

17 independent?

18 THE WITNESS: Yes.

19 JUDGE SIPPEL: [REDACTED]

20 [REDACTED]

21 THE WITNESS: [REDACTED] [REDACTED]

22 [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 JUDGE SIPPEL: [REDACTED]

4 [REDACTED] [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 THE WITNESS: [REDACTED]

9 [REDACTED]

10 [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED] [REDACTED]

15 [REDACTED]

16 JUDGE SIPPEL: Okay. I understand
17 that situation.

18 THE WITNESS: So you may come to
19 an end of a contract.

20 JUDGE SIPPEL: Right.

21 THE WITNESS: [REDACTED]

22 [REDACTED]

1 JUDGE SIPPEL: [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 THE WITNESS: Right.

5 JUDGE SIPPEL: Everybody is
6 getting along fine.

7 THE WITNESS: Right.

8 JUDGE SIPPEL: No disagreements.

9 THE WITNESS: Right.

10 JUDGE SIPPEL: So you keep going.

11 THE WITNESS: So that's one -

12 JUDGE SIPPEL: That makes sense.

13 THE WITNESS: [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 JUDGE SIPPEL: Yes.

17 THE WITNESS: [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 JUDGE SIPPEL: You like the
4 programs.

5 THE WITNESS: Because we like the
6 program, but maybe we can't agree on the
7 price, or maybe we can't agree on other terms
8 going forward.

9 JUDGE SIPPEL: Okay.

10 THE WITNESS: So, you get to the
11 end of the contract. You haven't reached an
12 agreement. You may be at a standoff or some
13 variant of it, [REDACTED].

14 JUDGE SIPPEL: [REDACTED]

15 [REDACTED]

16 THE WITNESS: [REDACTED]

17 [REDACTED]

18 JUDGE SIPPEL: But there's always
19 negotiations going on. I mean, it's -

20 THE WITNESS: It can be, actually,
21 big stretches of time.

22 JUDGE SIPPEL: You basically have

1 a meeting of the minds on that, though.

2 THE WITNESS: Well, perhaps not.

3 You may actually have a disagreement, but as
4 long as they're not -

5 JUDGE SIPPEL: No, it's a meeting
6 of the minds to keep that relationship going
7 that way.

8 THE WITNESS: Yes. [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED] [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 JUDGE SIPPEL: All right. Now,
15 compare that with the CSNMA situation.

16 THE WITNESS: [REDACTED]

17 [REDACTED] -

18 JUDGE SIPPEL: [REDACTED]

19 [REDACTED]

20 THE WITNESS: [REDACTED]

21 [REDACTED]

22 [REDACTED]

1 JUDGE SIPPEL: [REDACTED]

2 [REDACTED]

3 THE WITNESS: [REDACTED] [REDACTED]

4 [REDACTED]

5 [REDACTED] [REDACTED]

6 [REDACTED]

7 [REDACTED] [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED] [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED] [REDACTED]

15 [REDACTED]

16 JUDGE SIPPEL: All right. I'm

17 still -- all right. That's your testimony.

18 I'm sorry. This took longer than I wanted to.

19 MR. FREDERICK: Your Honor, I

20 asked the very same questions in his

21 deposition. There is one facet as to which I

22 don't think Mr. Bond has given a consistent

1 answer. [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED] [REDACTED]

5 [REDACTED]

6 THE WITNESS: [REDACTED]

7 [REDACTED]

8 [REDACTED] [REDACTED]

9 [REDACTED] [REDACTED]

10 [REDACTED]

11 BY MR. FREDERICK:

12 Q So, it's the extraordinary
13 circumstance that would be as long as five
14 years. Correct?

15 A Yes.

16 Q [REDACTED]

17 [REDACTED]?

18 A [REDACTED]

19 Q For the Fox Sports Networks that
20 are unaffiliated, the time is three months,
21 six months, maybe up to a year. Correct?

22 A I think in most cases -- yes,

1 that's correct. [REDACTED]

2 [REDACTED]

3 Q Mr. Bond, I asked you in your
4 deposition whether you could give an example
5 of any unaffiliated RSN, and the only example
6 you gave were the Fox Sports Nets.

7 A [REDACTED]

8 [REDACTED]?

9 Q That's correct.

10 A Yes.

11 Q [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]?

15 A I can't think of any.

16 Q Is it true that no one above you
17 in the Comcast chain of command reviews
18 contracts with regional sports networks?

19 A Well, the terms of the contracts
20 are sent through a contract approval process.

21 Q It's a yes or no.

22 A I'm the one who reviews the

1 contracts. I work on the contracts.

2 JUDGE SIPPEL: Well, can you
3 answer that question yes or no?

4 THE WITNESS: Well, can you repeat
5 the question?

6 BY MR. FREDERICK:

7 Q No one above you in the Comcast
8 chain of command reviews contracts with RSNs.
9 Correct?

10 A I'm trying to answer the question.
11 We have an approval process of the terms of
12 the contracts. I'm the one who reviews the
13 actual contracts.

14 Q Mr. Bond -

15 JUDGE SIPPEL: All right. Let's
16 assume that you approve it. Where does it go
17 from there?

18 THE WITNESS: I have -- there's an
19 approval process that goes up to Steve Burke
20 and Brian Roberts.

21 JUDGE SIPPEL: So, what do you,
22 you put like a cover memo on the thing and

1 send it up and say, I'm for approving this,
2 subject to your approval, or something like
3 that?

4 THE WITNESS: Yes. We give them a
5 summary, a relatively detailed summary of the
6 terms.

7 JUDGE SIPPEL: And what about if
8 it's the other way around, you want to turn it
9 down?

10 THE WITNESS: Then it's not really
11 submitted for approval. But even -

12 JUDGE SIPPEL: But you've got the
13 power to turn it down.

14 THE WITNESS: Well, it's -- really
15 decisions are made very collaboratively, so
16 it's not like Steve would see this afresh. We
17 talk all the time about programming issues, so
18 Steve is aware of what's going on. The
19 approval process really comes at the end to
20 say here's basically the detailed terms of the
21 agreement.

22 JUDGE SIPPEL: So, it's just

1 really putting down on paper what's basically
2 been covered already internally by -

3 THE WITNESS: Yes.

4 JUDGE SIPPEL: Whatever words you
5 used.

6 THE WITNESS: Yes.

7 JUDGE SIPPEL: So, wouldn't that
8 be the same with respect to the Harrisburg
9 decision and CSNMA, either drop down the tier,
10 or cut off the signal? Wasn't that the same
11 way that that was reached?

12 THE WITNESS: No, that wouldn't be
13 in that contracts approval process.

14 JUDGE SIPPEL: Why? Well, what
15 process would it be in?

16 THE WITNESS: There is a channel
17 change process. That's a separate kind of
18 bureaucratic process.

19 JUDGE SIPPEL: Who gets involved
20 in a channel change process? Who would -

21 THE WITNESS: That comes up
22 through the system. The system requests a

1 channel change, and then it's approved at the
2 divisional level, and then it's approved by
3 corporate finance, and it's approved by my
4 group.

5 JUDGE SIPPEL: So, ultimately, you
6 do get to approve it. There's an approval.

7 THE WITNESS: Yes, that's correct.

8 JUDGE SIPPEL: So, CSNMA could not
9 have just on their own, they could not have
10 driven that decision without getting approval
11 from Comcast corporate.

12 THE WITNESS: No, the decision to
13 drop?

14 JUDGE SIPPEL: Yes.

15 THE WITNESS: The decision to drop
16 is what was covered by that process. So,
17 CSNMA said you can't carry -- you, Comcast,
18 can't carry on the sports tier anymore. So,
19 we said okay, we've got to drop it. So we
20 dropped it, and the process for that drop is
21 the submission of this contract - excuse me -
22 this Channel Change Request that goes up

1 through the corporate hierarchy. That's just
2 the drop.

3 JUDGE SIPPEL: But, Comcast could
4 have just as well said - we covered this
5 before - they could have just as well have
6 said, no, you're going to stay up there on
7 that tier, and we're not going to give you any
8 channel change that you want. Just get in
9 line and follow your orders. And they're
10 going to say what? Well, then we're going to
11 just -- we're going to cut off the signal?
12 We're going to turn the switch off?

13 THE WITNESS: Well, I think it -

14 JUDGE SIPPEL: Is that what they
15 can do?

16 THE WITNESS: Yes.

17 JUDGE SIPPEL: That's what I heard
18 you say.

19 THE WITNESS: Well, CSN -- it
20 didn't get to that point. CSN -

21 JUDGE SIPPEL: I know, but there's
22 a good reason why it didn't get to that point,

1 because CSNMA didn't have the power to do
2 that. They didn't have the authority to do
3 that. And without a contract, they certainly
4 didn't have anything -- a leg to stand on, it
5 would seem to me.

6 THE WITNESS: Well, we didn't have
7 the ability. The contract to carry them on
8 the sports tier, that contract expired.

9 JUDGE SIPPEL: I know. You told
10 me that.

11 THE WITNESS: In '05.

12 JUDGE SIPPEL: I know.

13 THE WITNESS: So, then after -

14 JUDGE SIPPEL: They don't have a
15 contract. You're right.

16 THE WITNESS: Right. So, in the
17 remainder of the CSNMA territory, CSNMA was
18 carried on the expanded basic level of
19 service.

20 JUDGE SIPPEL: I see.

21 THE WITNESS: So, everywhere else
22 -- let me see if I can explain it this way.

1 Everywhere else, CSNMA is carried on expanded
2 basic or a highly distributed level of
3 service. They had this deal with the
4 predecessor company called Lenfest that
5 allowed it to be carried on a sports tier for
6 a period of time.

7 JUDGE SIPPEL: Then that expired.

8 THE WITNESS: And that expired.

9 So, then CSNMA said we don't allow that any
10 more. All of our deals, much like now, all of
11 our deals require broader distribution. We
12 won't allow carriage of the sports tier
13 anymore. So, we in the cable group said okay,
14 we understand your position. We'd rather drop
15 than carry, so we dropped them. It was really
16 that simple.

17 JUDGE SIPPEL: Well, it's -- what
18 this is sounding more and more to me like, and
19 I didn't get this on your earlier testimony,
20 but it seems to me that CSNMA, they have these
21 -- they had this programming that was up there
22 on the sports tier, the high tier. And, over

1 a period of time, they were gradually cutting
2 them down into the expanded, the broader tier.
3 And it got to the point where it was the turn
4 of the decision being made for Harrisburg.
5 They said well, here, we've been doing this
6 with these others, so why don't we do it here?
7 That's what we plan to do. And corporate
8 would say sure, that's fine.

9 THE WITNESS: Right. I think -

10 JUDGE SIPPPEL: I mean, you've got
11 good reasons for it, but then it's not going
12 to be a question of CSNMA saying that hey,
13 this is the way it's going to be, Burke.

14 THE WITNESS: No, I -- this issue,
15 I don't recall it getting up to the Steve
16 Burke level. I think this was -- in my view,
17 this was a relatively small issue, not a large
18 issue. And what happened was, CSNMA had,
19 essentially, expanded basic distribution
20 everywhere. They had this legacy contract
21 that they were honoring with us with a
22 predecessor company that we acquired. They

1 were honoring that contract through its
2 expiration. And then it terminated -

3 JUDGE SIPPEL: They didn't have
4 any obligation to do that.

5 THE WITNESS: Well, no, in that
6 case there was a contract.

7 JUDGE SIPPEL: Well, you got me
8 there. I thought that it expired.

9 THE WITNESS: Well, no. There was
10 a Comcast Cable contract with HTS. That
11 covered Washington, Baltimore, that covered
12 all of the Comcast systems. And Home Team
13 Sports, HTS, was the predecessor to CSNMA.

14 JUDGE SIPPEL: I know that.

15 THE WITNESS: So that was the
16 contract that I was referring to earlier that
17 I said that expired. Additionally, we
18 acquired these systems from another cable
19 company, and they had a contract with CSNMA.
20 And, so, when we acquired that contract -
21 excuse me - when we acquired that company, we
22 acquired that contract, and that contract

1 allowed us to carry on the sports tier in that
2 system.

3 JUDGE SIPPEL: And what was the
4 status of those contracts, or the one relating
5 to Harrisburg, when you made the decision --
6 when the decision was made to drop out of
7 that tier, this would be Harrisburg?

8 THE WITNESS: So, that contract
9 expired.

10 JUDGE SIPPEL: When?

11 THE WITNESS: In '05, I think.

12 JUDGE SIPPEL: And after that
13 expired -

14 THE WITNESS: So, now we're out of
15 contract.

16 JUDGE SIPPEL: You're totally -- I
17 thought we were -

18 THE WITNESS: Yes. At that
19 moment, we're totally out of contract.

20 JUDGE SIPPEL: That's what I was
21 assuming all along.

22 THE WITNESS: Right.